

COMMONWEALTH OF VIRGINIA

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VIRGINIA HOUSING COMMISSION

SUMMARY

Virginia Housing Commission

Full Commission Meeting

April 22, 2014, at 2:00 p.m.
Senate Room A, General Assembly Building
Richmond, Virginia

I. Call to Order

Senator Mamie Locke, *Chair*, called the meeting to order at 2:00 p.m.

Members in attendance: Senator Mamie E. Locke, *Chair*; Delegate Daniel W. Marshall, III, *Vice-Chair*; Senator George L. Barker; Senator John C. Watkins; Delegate David L. Bulova; Delegate Rosalyn R. Dance; Delegate Barry D. Knight; Delegate Christopher K. Peace; Mark K. Flynn, *Governor Appointee*; T.K. Somanath, *Governor Appointee*; and Laura D. Lafayette, *Governor Appointee*.

Staff: Elizabeth Palen, *Executive Director*

II. Quarterly Housing Trends

Presentation: Sonya Waddell, Regional Economist, *The Federal Reserve Bank of Richmond*: I am presenting an overview of the housing trends and mortgage foreclosure numbers that have been calculated since my last presentation in December 2013. The following is a presentation using charts and graphs:

http://services.dlas.virginia.gov/User_db/frmView.aspx?ViewId=3979&s=16

- We are in a housing recovery but it is slowing in the last few months. Two factors may be contributory: bad weather and slowing in the labor market.
- In the fourth quarter of 2013, 1.03 percent of mortgages in the Commonwealth were in a form of foreclosure.
- In the Commonwealth, there are still 9,000 homes in foreclosure. Though this number is considerably lower than levels reached during the last few years, and though foreclosure numbers are falling, this is significantly above ideal levels. (Please see the attachment for charts and graphs of foreclosure numbers.)

- Virginia ranks 46th out of the 50 states in number of foreclosures; only four states have fewer foreclosures.
- There is continued overall improvement in residential real estate in Virginia, but in general improvement has slowed in recent months due to:
 - ❖ Rising house prices, though the rate of increase has tapered off recently
 - ❖ Declining inventory of distressed property
 - ❖ Generally rising sales, though that increase has been sluggish recently as well
- Virginia has seen recovery in jobs growth, but more growth is needed and recent data is not as positive as it should be for a strong economy.
- Federal government spending is a big part of Virginia's economy, which has both positive and negative implications.

III. Presentation: Maurice Jones, Secretary of Commerce and Trade

- **Secretary Jones** spoke about housing policy and priorities during the McAuliffe administration.
- There are big opportunities to make a difference in the area of homelessness. Concentrations should be made regarding homelessness among veterans, the Housing Trust Fund, and housing for people with disabilities, and there is still work to be done concerning foreclosures in Virginia.
- We have to make sure that economic development is not discussed separately from housing. We need to orchestrate assets collectively, including public safety agencies, educational assets, and transportation, to create neighborhood transformation.
- We need mixed-income neighborhoods with connection to jobs. We are 122,000 jobs behind where we should be with jobs. We need a new normal and healthy balance with foreclosures.

IV. Presentation: Charles Rigney, Assistant Director of Development, Norfolk: Funding Historic Property Revitalization Through Public Private Partnerships:

- Please see the materials posted online:

http://services.dlas.virginia.gov/User_db/frmView.aspx?ViewId=3980&s=16

The projects discussed need a certain amount of private dollars in order for the public dollars to be allotted.

- We have seen a 20 percent increase in investments.
- Projects that take two years to complete receive 15 years of tax abatement.
- Citywide, not zone specific; the projects must meet certain criteria:

- 1) Significant capital investment;
- 2) 10-year business model;
- 3) Catalytic impact;
- 4) In conformity with city needs; and
- 5) If not for the dollars, this deal might go to another state and be successful.

V. Interim Workgroup Agenda: Elizabeth Palen

The workgroup assignment of subject matter was distributed. Ms. Palen reiterated that the workload was evolving and fluid and that new topics may be added as the interim progresses. The workgroups will retain their current chairpersons, and each stakeholder is asked to let Ms. Palen know if the stakeholder member no longer wishes to serve or if job or contact information has changed. An email will be sent to each stakeholder member asking for confirmation of the information on record.

VI. Public Comment and Adjournment

Senator Locke asked for any public comment. Upon hearing no request to comment, **Senator Locke** adjourned the meeting at 4:20 p.m..